

Message Text

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PAGE 01 PANAMA 06632 081216Z

12

ACTION ARA-20

INFO OCT-01 ISO-00 SAB-01 L-03 CIAE-00 INR-10 NSAE-00

RSC-01 EB-11 COME-00 TRSE-00 OMB-01 PM-07 NSC-10

SPC-03 SS-20 DODE-00 FMC-04 CG-00 COA-02 DLOS-06 /100 W

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P R 072310Z DEC 73

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC PRIORITY 9272

INFO GOV PANCANAL

LIMITED OFFICIAL USE PANAMA 6632

EO 11652: N/A

TAGS: PN PQ

SUBJ: PANAMA CANAL TOLL INCREASE

REF: HOWARD - DANIELS TELCON DEC. 7

1. AT THE PRC MEETING DECEMBER 4, I DELIVERED A LETTER TO THE GOVERNOR CONTAINING MY COMMENTS ON THE DRAFT REPORT ON TOLL RATES. TWO OF THE COMMENTS WERE EDITORIAL IN NATURE. THE SUB-STATNIVE COMMENTS WERE THAT:

A. THE PROVISION FOR DEPRECIATION OF ASSETS OVER 40 YEARS WILL BE NOTED BY PANAMA. IT WILL TEND TO UNDERMINE ANY UNITED STATES POSITION CALLING FOR U.S. INVOLVEMENT FOR MORE THAN 40 YEARS . (PAGE 5, APPENDIX C-4.)

B. THE FORMULA FOR DETERMINING COSTS THAT MAY BE USED IN CALCULATING A TOLL INCREASE WILL ALSO BE NOTED BY PANAMA. PANAMA CAN BE EXPECTED TO ARGUE THAT ANYTHING THAT IS NOT INCLUDED IN CALCULATING TOLLS IS NONESSENTIAL. (PARAGRAPH 14, PAGE 75, APPENDIX C-4.)

2. I HAD PREVIOUSLY SUGGESTED THAT THE USG WOULD LINK THE TOLL INCREASE TO THE CONSTRUCTION OF A NEW BRIDGE. THE GOVERNOR HAS LIMITED OFFICIAL USE

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SINCE INFORMED ME THAT EXISTING LAWS CONCERNING TOLL RATES THE

GAO APPROVED ACCOUNTING PRINCIPLES MAKE IT IMPOSSIBLE TO USE FUNDS
GENERATED BY TOLLS FOR A NEW BRIDGE WITHOUT NEW LEGISLATION.
AS SEEKING LEGISLATION WOULD DELAY OR BLOCK THE TOLL INCREASE,
WHICH IS URGENTLY NEEDED BECAUSE THE PCC IS OPERATING AT A
NEAR DEFICIT, WE SHOULD NOT PUSH FOR THIS NOW.

3. SECRETARY CALLAWAY MENTIONED THE POSSIBILITY OF A TOLL
INCREASE TO TORRIJOS AND I INFORMED FOREIGN MINISTER TACK OF IT.
I UNDERSTAND THAT IF THE BOARD OF THE PCC RECOMMENDS
APPROVAL OF THE TOLL INCREASE, IT WILL BE SENT TO THE FEDERAL
REGISTER ON DECEMBER 17 AND I WOULD CONCURRENTLY OFFICIALLY
INFORM THE GOP OF THIS ACTION. IN CONCUR IN THE PROCEDURE
OUTLINED BY THE GOVENOR.
SAYRE

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Message Attributes

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Draft Date: 07 DEC 1973
Decaption Date: 01 JAN 1960
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Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
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Errors: N/A
Film Number: n/a
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Handling Restrictions: n/a
Image Path:
ISecure: 1
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Original Handling Restrictions: n/a
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30 JUN 2005

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